

EXHIBIT B

[PUBLIC VERSION]

Message

From: Seth Ruhter [seth.j.ruhter@frb.gov]
Sent: 12/01/2021 2:26:21 PM
To: Nugent, Jackie [jackie.nugent@kc.frb.org]; Gershon, Yaniv [yaniv.gershon@bos.frb.org]; Gerber, Cassidy [cassidy.gerber@ny.frb.org]; Royster, Scott [scott.royster@atl.frb.org]
Subject: RE: WSJ Op-Ed- updated

NONCONFIDENTIAL // EXTERNAL

Yep, They are not banks.

Banks take deposits.

SJR

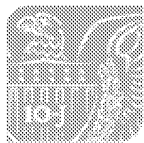
From: Nugent, Jackie <jackie.nugent@kc.frb.org>
Sent: Wednesday, December 1, 2021 9:24 AM
To: Yaniv Gershon (FRS) <Yaniv.Gershon@bos.frb.org>; Cassidy Gerber (FRS) <Cassidy.Gerber@ny.frb.org>; Scott Royster (FRS) <Scott.Royster@atl.frb.org>; Seth Ruhter <seth.j.ruhter@frb.gov>
Subject: RE: WSJ Op-Ed- updated
Importance: High

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In case anyone wants a 30 minute podcast on SPDIs...

<https://learningcenter.frb.org/Learning/Event/2899/Cowboys--SPDIs--and-Nontraditional-Account-Access--Wyoming-s-Quest-for-Regulatory-Prominence?source=weekly-email>



Jackie Nugent

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FEDERAL RESERVE BANK OF KANSAS CITY

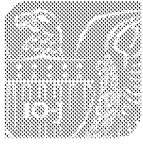
1 Memorial Drive • Kansas City, Missouri 64198 • www.kansascityfed.org > > >

From: Nugent, Jackie
Sent: Wednesday, December 01, 2021 8:19 AM
To: Gershon, Yaniv <Yaniv.Gershon@bos.frb.org>; Gerber, Cassidy <Cassidy.Gerber@ny.frb.org>; Royster, Scott <Scott.Royster@atl.frb.org>; Seth Ruhter <seth.j.ruhter@frb.gov>
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Will have a little bit of a firestorm here in KC and the Board....

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FEDERAL RESERVE BANK OF KANSAS CITY

1 Memorial Drive • Kansas City, Missouri 64198 • www.kansascityfed.org > > > **From:** Rosengarten, Victoria <Victoria.Rosengarten@kc.frb.org>**Sent:** Tuesday, November 30, 2021 5:35 PM
To: LaFave, Amy <Amy.LaFave@kc.frb.org>; Medley, Bill <bill.medley@kc.frb.org>; George, Esther L
<esther.l.george@kc.frb.org>; Raley, Diane <diane.m.raleigh@kc.frb.org>; Gruber, Joseph <Joseph.Gruber@kc.frb.org>;
Zahnd, Craig C <Craig.Zahnd@kc.frb.org>
Subject: RE: WSJ Op-Ed- updated**NONCONFIDENTIAL // EXTERNAL**

Resending with online link and updated text. This will appear in print edition tomorrow.

https://www.wsj.com/articles/the-fed-battles-wyoming-cryptocurrency-powell-brainard-bitcoin-digital-assets-spdi-fintech-11638308314?mod=Searchresults_pos1&page=1
THE WALL STREET JOURNAL.

Commentary (U.S.)

Opinion

The Fed Battles Wyoming on Cryptocurrency; Powell and Brainard stand in the way of sensible regulation.

By Cynthia Lummis

591 words

30 November 2021

18:24

The Wall Street Journal Online

The Federal Reserve has an extraordinary responsibility to ensure a healthy economy and sound financial system for all Americans. Unfortunately, over the past year my faith in the Fed has been deeply shaken by its political approach to digital assets in my home state, Wyoming, greatly contributing to my concerns over President Biden's nominees, Jay Powell and Lael Brainard.

In 2019 Wyoming began integrating digital assets, including cryptocurrency, into the U.S. banking system. State legislators wrote bills addressing issues from asset custody to money laundering. As a part of this effort, they created a heavily regulated bank—the special purpose depository institution.

More than two years ago, Wyoming began to discuss SPDIs with the Fed, including whether SPDIs are considered banks under federal law and can access the federal payment system.

Wyoming checked every box, holding more than 100 meetings with the Board of Governors and Federal Reserve Bank of Kansas City. The Fed even provided input into Wyoming's comprehensive regulatory framework, as did Promontory Financial Group.

Is an SPDI a bank? Without a doubt. It's eligible for deposit insurance and receives deposits relating to custodial and fiduciary activities—meeting the standard Congress set down in the Federal Reserve Act for what constitutes a bank.

Should SPDIs have payment system access? Absolutely—Wyoming incorporated every principle from multiple Fed guidance documents.

The Fed doesn't seem to care, however. Two Wyoming SPDIs, [REDACTED] and Avanti, received their bank charters in 2020. They applied for master accounts with the Federal Reserve Bank of Kansas City shortly after. Over a year later, the Fed hasn't started processing these applications, indicating it's still determining whether SPDIs are banks—which is not a serious legal question.

In fact the Fed is violating the law by delaying. In 1994 Congress required the Fed to act on all applications within one year. Numerous federal courts have stated that the Fed has a duty to give payment system access to all banks and credit unions conducting legal activities. The Fed itself has said its payment services will be available "to all depository institutions on an equitable basis . . . in an atmosphere of competitive fairness."

In this light, I am deeply concerned about the nominations of Chairman Powell and Gov. Brainard, who helped helm the Fed as it took these questionable actions.

I believe both are smart and qualified. But while Mr. Powell and Ms. Brainard have said they want to promote responsible financial innovation, when Wyoming provided a perfect opportunity the Fed instead inexplicably chose to ignore its legal obligations. I want to know why but haven't received an answer.

The Fed's lack of responsiveness is becoming a trend. Recently, the central bank thumbed its nose at Sen. Pat Toomey's request for its research into climate and equity.

As the Senate considers Mr. Powell's and Ms. Brainard's nominations, they must address these concerns. The American people expect them to follow the law without bias or delay. Anything less makes them unworthy to serve.

Ms. Lummis, a Republican, is a U.S. senator from Wyoming.

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